

SENATE BILL

No. 87

Introduced by Senator Costa

June 18, 2001

An act to amend, repeal, and add Section 25678 of the Public Resources Code, relating to energy resources, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 87, as introduced, Costa. Biomass resources.

Existing law requires the State Energy Resources Conservation and Development Commission to establish a grant program that provides a \$0.40 per gallon production incentive for liquid fuels fermented in this state from biomass and biomass-derived resources produced in this state.

This bill, until January 1, 2005, would make the \$0.40 per gallon production incentive available for an unspecified amount of fuel production and a \$0.20 per gallon production incentive for the next unspecified amount of fuel production, up to an unspecified total amount.

This bill would appropriate \$25,000,000 from the General Fund to the commission for the purpose of funding grants pursuant to the bill.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares that
2 ethanol has multiple benefits for the citizens of California,

1 including assisting California in becoming more self-sufficient for
2 fuel, improving air and water quality, turning domestic
3 agricultural crops and byproducts into useable fuel, reducing
4 dependence on fossil fuels, meeting federal mandates, creating
5 in-state jobs, and assisting in strengthening local economies.

6 (b) The Legislature further finds and declares that California is
7 home to over nine million acres of irrigated cropland and over 150
8 million acres of forest and wildland resources that are available to
9 create indigenous resources for use in ethanol production.

10 SEC. 2. Section 25678 of the Public Resources Code is
11 amended to read:

12 25678. (a) (1) The commission shall establish a grant
13 program ~~which~~ that provides a forty cent (\$0.40) per gallon
14 production incentive for liquid fuels fermented in this state from
15 biomass and biomass-derived resources produced in this state.
16 ~~Eligible~~

17 (2) *The forty cent (\$0.40) per gallon production incentive*
18 *described in paragraph (1) shall be available for the first ____*
19 *million gallons of liquid fuels produced per calendar year at any*
20 *one facility. An additional twenty cent (\$0.20) per gallon*
21 *production incentive shall be available for the next ____ million*
22 *gallons produced per year up to a total of ____ million gallons per*
23 *year.*

24 (b) *Eligible* liquid fuels include, but are not limited to, ethanol,
25 methanol, and vegetable oils. Eligible biomass resources include,
26 but are not limited to, agricultural products and byproducts,
27 forestry products and byproducts, and industrial wastes. ~~The~~

28 (c) The commission shall adopt rules and regulations necessary
29 to implement the program. ~~Prior~~

30 (d) *Prior* to determining an applicant eligible for participation
31 in the production incentive program, the commission shall find,
32 among other things, that the production techniques employed will
33 lead to a net increase in the amount of energy available for
34 consumption.

35 (e) *This section shall remain in effect only until January 1,*
36 *2005, and as of that date is repealed, unless a later enacted statute,*
37 *that is enacted before January 1, 2005, deletes or extends that date.*

38 SEC. 3. Section 25678 is added to the Public Resources Code,
39 to read:

1 25678. (a) The commission shall establish a grant program
2 that provides a forty cent (\$0.40) per gallon production incentive
3 for liquid fuels fermented in this state from biomass and
4 biomass-derived resources produced in this state.

5 (b) Eligible liquid fuels include, but are not limited to, ethanol,
6 methanol, and vegetable oils. Eligible biomass resources include,
7 but are not limited to, agricultural products and byproducts,
8 forestry products and byproducts, and industrial wastes.

9 (c) The commission shall adopt rules and regulations necessary
10 to implement the program.

11 (d) Prior to determining an applicant eligible for participation
12 in the production incentive program, the commission shall find,
13 among other things, that the production techniques employed will
14 lead to a net increase in the amount of energy available for
15 consumption.

16 (e) This section shall become operative January 1, 2005.

17 SEC. 4. The sum of twenty-five million dollars (\$25,000,000)
18 is hereby appropriated from the General Fund to the State Energy
19 Resources Conservation and Development Commission for the
20 purpose of funding grants for the production of liquid fuels derived
21 from biomass and biomass-derived resources pursuant to Chapter
22 7.7 (commencing with Section 25678) of Division 15 of the Public
23 Resources Code.

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